



MULTISTATE TAX COMMISSION

## Report of the Uniformity Committee

Tommy Hoyt (Texas), Chair  
Maria Sanders (Missouri), Vice Chair

### To the Executive Committee

By Teleconference  
Thursday, April 23, 2020

The status of Uniformity projects is summarized below:

Project/Work Groups	
<b><i>Finnigan-Combined Filing Work Group</i></b>	
<b><i>Chair and Staff</i></b>	Phil Skinner, Idaho; Bruce Fort and Helen Hecht, MTC Staff
<b><i>Scope of Project</i></b>	This work group has been tasked with creating a model <i>Finnigan</i> alternative in addition to the <i>Joyce</i> approach already in the Commission's Model Statute for Combined Reporting.
<b><i>Background</i></b>	At its April 2018 meeting, the committee was asked to consider adding a <i>Finnigan</i> option in the Commission's Model Statute for Combined Reporting, which currently uses the <i>Joyce</i> approach. MTC staff produced a briefing book on the issue. The question at the center of the <i>Joyce/Finnigan</i> debate is: Are states limited in their ability to tax an apportioned share of the income of a unitary business conducted by multiple legal entities if some portion of that income might be attributed to an entity over which the state lacks taxing jurisdiction? States have generally been moving toward the <i>Finnigan</i> approach—which allows the state to tax the unitary business without regard to whether it has jurisdiction over one or more entities making up that business. At its July 2018 meeting, the committee voted to take on the project and created a work group to draft the model option.
<b><i>Status</i></b>	Early in 2020, the work group completed its work and recommended a proposed draft to the Uniformity Committee at its recent meeting. (See separate item on the Executive Committee agenda.)

<b>P.L. 86-272 Work Group</b>	
<b><i>Chair and Staff</i></b>	Laurie McEllhatton, California, and Brian Hamer, MTC staff
<b><i>Scope of Project</i></b>	This work group is tasked with updating the Commission’s Statement of Information Concerning Practices of Multistate Tax Commission and Signatory States under Public Law 86-272.
<b><i>Background</i></b>	The statement was last updated in 2001 and does not contemplate many activities regularly undertaken by businesses today, including selling goods over the Internet.
<b><i>Status</i></b>	Early in 2020, the work group completed its work and recommended proposed revisions to the statement to the Uniformity Committee at its recent meeting. (See separate item on the Executive Committee agenda.)
<b><i>Wayfair and Marketplace Implementation Work Group</i></b>	
<b><i>Chair and Staff</i></b>	Steven Alvarez, Georgia; Richard Cram, MTC Staff
<b><i>Scope of Project</i></b>	This work group is focusing on the issues states are seeing in implementing the <i>Wayfair</i> decision, and especially on the collection and reporting requirements for marketplaces. (This project follows on the 2018 project.)
<b><i>Background</i></b>	At the July 2019 meeting, the Uniformity Committee agreed to form a follow on work group to review the kinds of issues states are having with the implementation of <i>Wayfair</i> and to reach out to practitioners and industry. The goal is to look for best practices and common solutions.
<b><i>Status</i></b>	The work group has produced a draft white paper for discussion and potential adoption as a source of information for the states. The Uniformity Committee will decide when the work group should take on new tasks.
<b><i>New Project Selection Work Group</i></b>	
<b><i>Chair and Staff</i></b>	Maria Sanders, Missouri; Helen Hecht, MTC Staff
<b><i>Scope of Project</i></b>	The Uniformity Committee formed this work group to follow up on recommendations from the strategic planning task force to come up with a more robust process for identifying and vetting possible new projects.
<b><i>Background</i></b>	The work group began meeting last month and is still working on developing the process for selecting new uniformity projects.
<b><i>Status</i></b>	Ongoing.